



**ANNUAL IMPLEMENTATION REPORT 2003**



**C (2001) 659**





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# FOREWORD

I am delighted to introduce the Annual Implementation Report 2003, which outlines the progress made in delivering the Objective 2 Programme within the North West region.

The Objective 2 Programme is delivered in partnership and during 2003 our partnership responded magnificently to a very challenging agenda, in particular we:

- Exceeded our de-commitment (N+2) target by tens of millions;
- Revised the strategy to better meet national and regional policy priorities;
- Developed a streamlined governance structure that better met business priorities;
- Invested significantly in management systems and processes to effectively manage the programme;
- Created an effective performance management framework with our Action Plan Partnerships;
- Managed the closure of four 'old' programmes.

The developments made in 2003 will provide a sound platform for our delivery in the coming year, as our attention increasingly turns to ensuring that the Objective 2 Programme leaves a lasting legacy for the North West region and that we successfully capture this learning to inform future regeneration programmes.

I look forward to working with you on this challenging agenda during 2004.

Keith Barnes  
*Chair, Programme Monitoring/Regional Committee  
Regional Director GONW*



## DARESBURY SCIENCE PARK

*The first phase of a long term ambition, Daresbury Science Park will create a major new business location on land adjacent to The Daresbury Laboratory. The site was acquired from CCLRC by NWDA in March 2001 and will provide accommodation over three floors.*

*The first phase will be recognised as The Incubator and Building 2. The ground floor to The Incubator will provide a science visitor and resource centre, a campus management centre with meeting rooms, an informal meeting and networking area, with provision for a heavy laboratory and light computer style laboratory will be located on the first floor.*

*The expected completion date for the first phase is April 2004, with roadworks in place by July 2004.*



# OBJECTIVE 2 NORTH WEST ENGLAND

Programme No. C (2001) 659

## INTRODUCTION

This is the fourth annual report for the North West Objective 2 Programme and covers the period from 1<sup>st</sup> January and 31 December 2003. A significant year in the life of the programme, as progress was formally reviewed via the mid term evaluation and the programme modified to respond to its findings.

Geographically the North West of England is the largest Objective 2 area in the country with a rich variety of environments, cultures and needs. Previously synonymous with traditional heavy industries the economy has now diversified into manufacturing, chemicals, financial and service sectors.

The regional partnership responsible for delivering the programme is drawn from local authorities, the private sector, voluntary organisations, community groups, regeneration agencies and central Government departments. The European Programme Executive based in Government Office North West is responsible for the management of the Objective 2 rural fund.

In previous programming periods, development activity was funded under Objective 5b with Objective 2 reserved for urban or industrial activity. The current programme now combines the urban Objective 2 programme with the rural Objective 5b programme. Consequently, the Single Programming Document (SPD) now provides full coverage of rural and urban issues.

On 26 March 2001 the Commission issued Decision C (2001) 659 approving the SPD in accordance with Article 15 (5) of Regulation 1260/1999. Structural Assistance under Objective 2 would be provided for the period 1 January 2000 to 31 December 2005 for transitional areas and 1 January 2000 to 31 December 2006 for fully eligible areas.

With a robust partnership in place, preparation of the SPD focused strategic thinking on economic issues with an inter-weaving of three cross-cutting themes to aid impact at all levels. The strategy aims to develop a competitive and sustainable economy which offers employment and income opportunities for people of all ages, abilities and gender.

*Blackpool Solarium  
South Wing Regeneration*



## 1 JANUARY 2000 TO 31 DECEMBER 2006 FOR FULLY ELIGIBLE AREAS



*Blencathra Business Centre Expansion*

The strategic aim reflects the need to boost the competitiveness of the Objective 2 area to narrow the prosperity gap with the UK as a whole, whilst recognising the need to reduce inequalities within the region and secure growth that is long-lasting. Steps were taken to broaden the focus of the SPD to combat discrimination against all disadvantaged groups.

2003 saw major changes to the structure and direction of the Programme. These changes were made to ensure the Programme remained fit for purpose and was able to respond to the challenges presented by changing national and regional policy and a shifting delivery infrastructure.

Regeneris Consulting was commissioned to review the programme strategy and ensure it accurately responded to the current socio-economic and policy environment. This work identified benefits which could be generated by extending the scope of the strategy, include investment in transport to large companies, to support supply chain development, tourism and developing access to broadband within the region.

Proposals for amendments to the SPD and Programme Complement were agreed by the Programme Monitoring/Regional Committee (PM/RC) and Programme Advisory Group (PAG), with negotiations with the Commission taking place in November 2003. The proposals presented to the EC were agreed subject to further clarification.

The need to respond to the threat of de-commitment resulted in the formation of a small strategy sub-group of the PM/RC to agree urgent action to manage this threat.

The early findings of the Mid Term Evaluation (MTE) identified the need to renew the Governance structure and following a strategy seminar on 23 July 2003 proposals were presented to and agreed by the PM/RC.

Members agreed to retain the PM/RC as a joint Committee dealing with both Objectives 2 and 3 but with a smaller membership. The PAG was disbanded and replaced by an Objective 2 Advisory Group and Objective 3 Advisory Group, whilst the Performance Management Group was retained as the third group supporting the PM/RC. These changes were implemented on 3 November.

*Ashton Canal Improvement Programme*



# THE REGION

## ELIGIBLE AREAS FOR FUNDING 2000 - 2006



- Objective 1 Area 2000 - 2006
- Objective 2 Area 2000 - 2006
- Transitional Area 2000 - 2005



Local Authority Boundaries

0 km 5 10 15 20 25  
 0 miles 5 10 15

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 Government Office for the North West  
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## NORTH WEST CONTEXT

The North West of England is an important region in both the UK and Europe and is characterised by contrasting environments from the conurbations of Greater Manchester and Merseyside to the region's National Parks. It is a large region covering 5,500 square miles and is home to nearly 7 million people and a quarter of a million businesses supporting a regional economy of £70bn pa.

The Greater Manchester conurbation has experienced significant economic growth but unfortunately not everybody has shared in the economic success as the Indices of Multiple Deprivation show.

As well as large urban areas, the region and the programme area include extensive rural areas with a number of market towns acting as focal points for investment and service sector employment. Nevertheless accessibility and remoteness remain issues for many rural areas.

The NW Regional Assembly was formed in 1997, drawing together partners from forty six local authorities and key economic and social stakeholder representatives. The Assembly provides a forum for regional issues and agreeing regional approaches to major issues such as transport, jobs and housing. The White Paper – 'Your Region, Your Choice' – put forward proposals to create an Elected Regional Assembly and a referendum will take place in Autumn 2004.

The North West Development Agency (NWDA) was established to act as a catalyst for the economic development of the region. It has produced its Regional Economic Strategy to provide a framework for investment and activity.

The 2002 Commonwealth Games underlined Manchester's importance as a regional centre with the largest multi-sport event ever seen in the UK. The full impact on the region's economy is still being realised and the subsequent announcement of Liverpool as the European Capital of Culture for 2008 further enhanced the North West's reputation as a thriving centre for cultural activity.

Substantial investment has been made in extending Manchester Airport with additional terminals and a second runway as the airport is a vital economic generator and a key driver for commercial activity. International accessibility remains a crucial element in competing effectively in the global market place. Passenger numbers are expected to rise from 17.5m in 2002 to over 30m in 2005 and over 40m in 2015.

## INDUSTRIAL STRUCTURE

### OF THE OBJECTIVE 2 AREA

The North West was one of the world's first industrial regions and the economy was dominated by traditional heavy industries and textiles. During the 20th Century the textile industry declined and today the economy is based on a more diverse range of industrial and service activities.

Trading conditions for manufacturers remain difficult with many operating below capacity. However despite adverse factors, including a strengthening of sterling against the dollar and competition from low cost economies, there remains confidence in North West business. Cost cutting and restructuring are now delivering results and the service and financial sectors are continuing to grow.

The MTE found that economic success was concentrated in the Greater Manchester conurbation core, which has accounted for 2/3rds of employment growth in recent years. An above average level of part-time jobs had been created, reflecting growth in the service sector. Despite this, there remain a number of areas of concern, as for example 65% of the Objective 2 area's unemployed live in Greater Manchester.

Data from the official Office of National Statistics (ONS) employee survey suggested that between June 1999 and June 2002 the North West experienced a marginal increase of 22,000 total jobs or 0.8% whilst manufacturing experienced a net decline of 54,000 or 10.4%. Some jobs have gone due to increased productivity but others have gone because of cost-cutting as part of group rationalisation and lower cost competition from abroad.

The MTE found that although the number of jobs had increased in the Programme area between 1998 and 2001, the rate of change had been slower than the GB average. An additional 1.8% jobs were created in the North West during this period, compared with a 4.5% increase at national level. This slower rate of change resulted in the region accounting for a lower proportion of GB jobs in 2001 than was the case in 1998.



*Blackpool Southshore Public Realm*

Average earnings increased by £0.5 per hour for all employees in the North West compared with a £0.4 increase in the UK as a whole. The average hourly rate in the region stood at £9.5 in 2002, which remained below the UK average of £10.

In gender terms, North West men benefited from an hourly increase of £0.9 in line with the UK average. Women fared less well, which again was in line with the national trend. Average earnings of NW women continue to lag behind their male counterparts with traditional gender divisions by industrial sector still evident. Employment in the manufacturing sector is dominated by males, while public administration, education and health remain more popular employment sectors for females.

Unemployment rates in the North West continue above the UK average although some way below European levels. There are substantial gaps between regions in incomes and competitiveness and overall the levels of unemployment and regional disparities remain at unacceptable levels.

On the basis of ILO calculations 182,000 people were unemployed in the North West, the unemployment rate of 5.5% comparing with the UK average of 5.2%. There are however considerable variations with levels of particular concern in West Cumbria and East Manchester.

The MTE found that the region had experienced a significant reduction in the unemployment rate since 1998, reducing by 1.1% between 1999 and 2002. Although encouraging, the North West had a persistently higher unemployment rate than the national average and it remained at 3.8% in 2002, 0.5% higher than the UK average.

In the North West part-time employment, both for men and women, continues to increase in importance. Women still form the majority part time workers, with most of this work being unskilled in nature, with limited emphasis on training. 87.8% of males in the NW work full-time, compared to only 51.9% of females. The male economic activity rate and percentage of working age males in employment figures are consistently higher than those for females.

There remains a production gap with the country's richest regions in the South-East and East. The speed and scale of change in the North West lags behind the national situation and participation rates in economic activity are lower than the national average.

Manufacturing remains a key economic driver, employing 430,000 people and accounting for 25% of GDP. The NWDA has targeted activity to remove barriers to manufacturing growth placing greater emphasis on innovation, investment and skills development.

Between 1997 and 2001 VAT registrations as a proportion of the stock decreased by 0.6% in the North West, which also effected the service sector. Although disappointing, this decrease occurred more slowly than the overall UK rate of 0.9%. Within the region, there was an actual increase in the number of business start-ups in the manufacturing sector of 0.9% between 1997 and 2001, compared with a decrease of 1.2% at the UK level.

The MTE found that the Cumbria Objective 2 area had seen the most rapid decline in employment between 1998 and 2001, of all Objective 2 areas. This

was caused by rapid declines in the manufacturing base and a lower rate of growth in service sectors than that achieved in urban areas. There had also been a number of closures of major employers and large numbers of people had withdrawn from the labour market.

The MTE considered that the Objective 2 area had recorded positive outcomes in terms of additional businesses as the national economy had grown. Nevertheless the business density in the NW remained low compared with the national average; although there was a high level of business formation, the failure rate was also high. It is clear that work on business development remains a priority.

*Ashton Canal Improvement Programme*



# CHANGES IN THE ECONOMIC AND POLICY ENVIRONMENT IN THE REGION

## INTRODUCTION

During implementation of the Programme there is a requirement under Article 37(2)a to review the general socio-economic context within which the Programme operates. The MTE involved a detailed review of the socio-economic analysis, updating the main data from the Office of National Statistics which was aggregated at ward level to identify trends in the Objective 2 area.

This section briefly summarises the key socio-economic changes that have occurred in the North West economy which may have had an indirect or direct impact on delivery.

The MTE found that the main factors which provided a rationale for the Objective 2 strategy and activity, were still relevant. Nevertheless analysis suggested that there were disparities across the region which should prompt a shift in emphasis.

The MTE underlined the extent to which rural policy had evolved since the SPD was produced. The Government's Rural White Paper and various policy responses to Foot and Mouth Disease (FMD) had all changed the operating context. In order to avert serious social consequences in the counties outside Greater Manchester, the report recommended that some consideration should be given to economic restructuring.

In August 2003 the PM/RC considered a working paper prepared by Regeneris Consulting together with a report about developing a response to the MTE and changes in national and regional policy. Changing socio-economic circumstances identified included a worsening economic climate; continuing difficulties in the manufacturing sector; a lack of regional convergence and disparities in performance within the Objective 2 area.

*Blackpool Southshore Public Realm*



Members agreed the proposed changes to the SPD and these were presented to the European Commission in November 2003.

## CHANGES IN NATIONAL REGIONAL POLICIES AND STRATEGIES

Since the SPD was completed there have been policy developments which have had a beneficial effect on our programmes. Particularly important has been the strong convergence between the national sustainable communities agenda and the Programme's agenda for community economic development and regeneration. There will be a marked increase in national funding into regional economic development, neighbourhood renewal, education and health.

Government policy has increasingly focused on increased community engagement in strategy development and implementation with the National Strategy for Neighbourhood Renewal setting out objectives to achieve these goals.

In 2003 the Communities Plan outlined £500m for 2003-2006 to support the nine Housing Market Renewal (HMR) Pathfinders, of which three are in the Objective 2 region, Oldham/Manchester, Salford/Rochdale and East Lancashire. Each pathfinder will focus on housing market failure and low demand issues and will develop imaginative and potentially radical solutions over the next 10-15 years.

The Regional Economic Strategy and Tourism Strategy has provided a clearer spatial focus on Urban Regeneration (URC) areas, Neighbourhood Renewal (NRE) areas, coastal resorts and rural issues. There was also a clear focus on developing and exploiting the region's knowledge base and transport infrastructure priorities, themes that have been reflected in the proposed revision to the SPD.

The Terms of Reference of the European Strategy Group were amended in March 2003 to reflect the



*Lake District Osprey Centre*

priorities of the newly created Regional European Framework for Action (REFA). The group continues to provide strategic leadership to the developing regional European agenda in line with the REFA and promotes the North West as an outward looking European region.

'A Modern Regional Policy For The UK' was issued by the UK Government in March 2003, which aimed to reduce regional disparities and to enable regions to share in the UK's prosperity. Regions have the resources and flexibility to deliver regional solutions to regional issues, within a national framework set by Government.

The Government's White Paper 21<sup>st</sup> Century skills, published in July 2003, aimed to strengthen the UK's economic position by ensuring that both employers and employees had the necessary skills to drive competitiveness. The focus was on the productivity gap that exists between the UK and its leading competitors.

# PROGRESS WITH IMPLEMENTATION OF THE PROGRAMME

## INTRODUCTION

Article 37(2)b requires a progress report on outputs and results at priority and measure level and analysis of cumulative achievements up to 31 December 2003. This chapter reports on progress with implementation of the Programme from the start in 2000 to the end of December 2003.



*Young People lead the way*

*Sue Tandon of Steps in Sports trying out the Thumbprint Card Fraud kit*



In delivering the Programme the overall aim is to maximise the impact of Structural Funds and ensure that resources are targeted in areas of most need. Delivery significantly improved during 2003 and as a consequence good progress was made with the delivery of key outputs and results.

## OPERATIONS UP TO

## 31 DECEMBER 2003

Delivery mechanisms were strengthened during 2003 to ensure that the strategic vision and financial and outcome targets of the SPD could be effectively met.

## PRIORITY 1

## BUSINESS AND IDEAS:

## BIDS AND ALLOCATIONS

## IN 2003

Priority 1 seeks to contribute to the transformation of the North West economy through the development of new and high growth employment

sectors as well as supporting the competitiveness of existing businesses, where the key features are enterprise and knowledge.

The aim is to create and protect jobs and income by investing in new entrepreneurial businesses and improving the business performance of existing Small and Medium Enterprises (SMEs). It will concentrate on the region's business strengths and opportunities and in particular exploit its knowledge base.

Resources are targeted to five measures aimed at new business creation; increasing the competitiveness of SMEs; access to finance for SMEs; developing a knowledge economy; supporting business innovation and networking and provision for new premises for SMEs.

The 12 sub-regional and 2 thematic Action Plans submitted at the outset of the Programming period, came to the end of their 3 year commitment period in December 2003. The PM/RC agreed that Action Plan bids should receive a further funding allocation, based upon formal assessment of individual plans.

It was agreed that all Manchester Priority 1 APPs should be merged into a new sub-regional Action Plan, which would rationalise the number of plans and provide a greater strategic focus. Sub-regional activity funded from 2003 would be aligned with the Alliance for Skills and Productivity, to ensure strategic impact. Regional bids were also invited to deliver activities of regional significance.

The European Commission accepted the Business Investment Scheme (BIS) as a Venture Capital Fund for ERDF purposes which allowed the total ERDF grant to be released to NWDA in a single payment. The immediate benefit to the partnership was that the total amount of the fund, £19.116m counted toward the de-commitment target for 31 December 03.

This fund provides equity-linked investment for growth and start up SMEs, up to a maximum individual ERDF contribution of £500,000. The overall intervention rate is 25%, but individual packages can be supported up to 50%. The fund which will operate until 31 December 2006 forms part of the NWDA Action Plan and is the largest single Priority 1 project. It will be matched with other private investment funds of

£57.3m. The fund provided a model which has since been replicated by other English regions.

## OUTPUTS AND RESULTS

### ACHIEVED ON PRIORITY 1

The outputs achieved as at 31 December 2003, (Annex 4) demonstrate that the Programme has delivered good progress in moving toward achievement of targets. It is clear that partners are now increasingly focused on delivering services on the ground.

The outputs in both products/processes and jobs is consistent with DTI's objective of building an enterprise society in which small firms thrive and achieve their potential. The aim is to increase the number of people considering going into small business: achieving an improvement in the overall productivity of small business and providing more enterprise within disadvantaged communities.

## PRIORITY 2

### PEOPLE AND COMMUNITIES

### BIDS AND ALLOCATIONS

### IN 2003

European policy aims to produce the basic conditions for regional competitiveness and provide competitive enterprises for employment creation. EC guidance to ensure coherence with the Union's policy goals, looks to Programmes to help continue a reduction of regional disparities and to establish the conditions that will assure the long term development of the regions.

*NorthWest Interpreters Ltd, Ashton Under Lyne*



Government Offices are the primary means of delivering a wide range of Government policies, ensuring that linked policies are delivered in a joined up way. The strategic review of the Programme sought to better align Priority 2 activity with national policy priorities. (Sustainable Communities, National Strategy for Neighbourhood Renewal etc).

The work by Regeneris Consulting confirmed that overall the Priority 2 strategy continued to fit the socio-economic and policy context fairly well, including the Regional Economic Strategy.

Structured Fund resources are targeted through 5 measures aimed at developing enterprise and employment in communities; improving access to jobs; developing an inclusive Information Society; connecting communities and building economically sustainable communities. To improve linkages with national and regional policies regionally and sub-regionally significant.

## OUTPUTS AND RESULTS

### ACHIEVED ON PRIORITY 2

The outputs achieved by 31 December 2003 (Annex 4) again show good progress in meeting targets. Given the growing importance of fully engaging local people in employment opportunities, the outputs in measure 2.1 are particularly reassuring.

## PRIORITY 3

### STRATEGIC REGIONAL

### INVESTMENT:

### BIDS AND ALLOCATIONS

### IN 2003

The principle aim of the Priority is to develop new strategic employment sites for industry and business to attract new inward investment to the area. The investment is being implemented through the designation of a limited number of Economic Development Zones (EDZs), managed by relevant partnership representation in an Action Plan Partnership. The MTE commented that there was no evidence to question the concept of concentrating investment in areas of opportunity however it did suggest possible changes to Priority activity.

It suggested that there needed to be a clearer alignment of Objective 2 behind the Regional Tourism Strategy.

There was also a need to recognise differences of approach in rural areas with the development of the knowledge economy particularly challenging; supporting the roll out of broadband could be a move in the right direction.

The emphasis in 2003 was on meeting financial performance targets, improving risk assessment and management information and ensuring that commitment to individual projects were increasing. It was implemented through 3 formal progress review meetings, which verified current and planned activity together with commitment and spend levels up to the year end.

<b>EDZ ALLOCATIONS</b>	
<b>EDZ</b>	<b>ERDF (£M)</b>
New East Manchester	45.9
Irwell	14
South Wigan and Ince	14.2
Virtual	14.4
Blackpool	9.5
Rochdale Kingsway	8
Bolton	10.6
Ellesmere Port	8.1
Tameside	7.1
Lancaster	8
East Lancashire	7
Cumbria and Furness	7.6
Rural Cumbria	6.2
Widnes	8
Oldham	8
<b>TOTAL</b>	<b>176.6</b>

In response to concerns about performance against contracted obligations, the newly-formed Programme Management Group identified APPs which needed to improve their performance. Thirteen out of fifteen partnerships were invited to address continuing weak performance through the preparation of recovery plans to inform downscaling decisions.

## OUTPUTS AND RESULTS

### ACHIEVED ON PRIORITY 3

Annex 4 outlines the outputs achieved as at 31 December 2003. Outputs are less than ideal but this is due to the delay start to Economic Development Zone (EDZ) activity as low results will only flow from capital projects, once substantial investment has been made and work completed. Nevertheless, 11,220 sqm of new premises have already been provided against a forecast of 49,700 and 10,607 sqm of premises have been refurbished against a forecast of 15,700.

Cycle-OPS. Young men getting ready to climb the obstacle course.



## INTRODUCTION

Article 37(2)c requires the report to examine the relationship between commitments and expenditure and in particular how this relates to Programme expenditure and payments from the Commission. This issue was serious and very relevant in 2003 as this was the first year in which de-commitment applied.

To ensure that targets were fully met, procedures were put in place to maximise commitments and expenditure.

New Management Information Systems (risk assessment tool, Inter-Active Claim Form and enhanced Management Information reporting) were introduced.

At the launch of the Programme in March 2001 the Commission posted 7% of the value of the Programme with the UK Treasury as a cash advance for the Programme of approximately £35m. The procedures for drawing down the balance of grant is laid down in the 'Structural Actions 2000-2006 Commentary and Regulations' set out by the Commission.

The cumulative record of payments below made by the Commission can be compared with the expenditure figures in

the Financial Table at Annex 1 to confirm that the flow of monies received from the Commission, reflects the expenditure on the Programme.

## ACTION PLANS

The wide delegation of responsibilities to Action Plan Partnerships (APPs) relieved the European Programme Executive from detailed project management required under earlier programmes. It allowed more energy to be directed to the implementation and delivery of the programme; past progress could be evaluated more easily and in the cases where the results were good, they could be replicated and best practice disseminated.

The need to maximise the benefit of the 2000-2006 Programme and threat of de-commitment were primary drivers for the introduction of strict management arrangements. All Action Plans would only receive the final 30% of any ERDF allocation on the basis that the first 40% was spent to profile.

A joint PM/RC and APP seminar was held on 4 December 2002 at the Reebok Stadium to stress the importance of avoiding any loss of resources to the

DRAW DOWN OF GRANT		
	€	£
24 April 2002	788,960	484,185
21 May 2002	56,583,100	35,053,230
30 October 2002	1,699,195	1,070,493
6 December 2002	20,993,905	13,341,626
20 June 2003	78,785,064	55,606,498
2 September 2003	56,350,999*	
18 December 2003	74,098,063*	

\* Of the 3 draw down requests made in 2003 only the June draw down has been paid by the Commission, the September and December requests are still waiting payment.

Programme and the region and to discuss the whole range of issues around delivery of the Programme. The seminar aimed to engage directly with the APPs to discuss the issues, the robustness of their plans, the associated risks and to explore options for expediting progress.

The Scott Wilson Consultancy was engaged to build capacity in the wider partnership and to sharpen risk, project and programme management skills. Risk management workshops were held for APPs in February 2003 with GONW and the Scott Wilson Consultancy explaining the introduction of an improved management system with a web-based risk form. The main intention was to improve long-term capacity in terms of individual project risk assessment and review within a proactive programme management capability.

Scrutiny sessions were held with all 56 APPs over the six week period from 10 March to Easter. They explored the status of each plan and agreed a realistic claim profile for 2003 based on a rigorous examination of the progress of individual projects and the associated risks.

To improve two-way communication with the APPs, the interactive claim form (ICF) was introduced on 27 January 2003. The final version of the software was issued on CD Rom mid 2003. A programme of individual training sessions was conducted by the EPE with each APP; they fully familiarised partners in using the software and trained managers on the new online ICF database.

Alongside the introduction of the ICF system, a suite of IT reports was designed to improve the flow of data between the account managers in the European Programme Executive and the APPs. These were activated through the introduction of a risk analysis framework; quarterly scrutiny visits; performance reviews and the allocation of additional resources to those APPs capable of accelerating spend in 2003.

At the PM/RC meeting on 4 August 2003 members considered a report on the current performance of Action Plans and an outline of the financing proposals

for the remainder of the Programme. Members agreed to the introduction of new contracting processes for issuing further monies to APPs together with revised principles for allocating funds for the remainder of the Programme.

Data from the ICF system was to provided a snapshot of commitment to the APP, commitment to individual projects and spend. A round of visits by account managers ensured that the APPs complied with their contractual conditions and established whether support was required to enable them to meet their obligations.

On 24 November the PM/RC agreed revised allocations for the Priority Transitional Areas to take up additional resources arising from exchange rate changes and uncommitted resources released by two APPs.

REVISED ALLOCATIONS FOR TRANSITIONAL AREAS	
	£
East Lancashire	1,300,000
Greater Manchester	500,000
Halton	100,000
N&W Lancashire	100,000
<i>£4m was retained for more strategic regional and sub-regional activities</i>	

*Spinningfields Redevelopment, Manchester.*



## FINANCIAL MONITORING OF PERFORMANCE AGAINST THE N+2 TARGET

The Commission determined at the conference in Berlin that the funding of the Programme would be made available at fixed levels during the Programming period. The implication of the N+2 principle and the Berlin Profile is that money had to be spent by specific points, or it would be lost to the Programme and the region.

The PM/RC established the Performance Management Group to assess progress towards financial and outcome targets on its behalf. This group has effectively driven the development of systems and processes to ensure that the PM/RC have an accurate position on performance.

The preparation of an Annual Business Plan is a requirement of the SPD and enables the PM/RC to satisfy itself that progress in terms of spend and outputs are being achieved and that projects are coming forward as quickly as anticipated and are actually producing the projected outputs. The business plan is contained in the Annual Monitoring Report 2004 at Annex 2.

At the 20 October 2003 meeting of the PM/RC members approved guidance for the commissioning of a bidding round to allocate the balance of available resources for regional and sub-regionally significant projects.

At the Performance Management Group meeting on 10 November 2003 members noted the positive progress which had been made towards achieving

the de-commitment target for 2003. The N+2 formula produced a target of £144.44m to be achieved by 31 December 2003.

Claims totalling £158.397m were submitted to the Commission by this date.

The European Commission's acceptance of the Business Investment Scheme (BIS), which drew down £19.116m of Structural Funds resources up front helped in achieving the de-commitment target.

## PERFORMANCE RESERVE

A new feature of the 2000/2006 round of Structural Fund programmes was the introduction of a Performance Reserve designed to 'reward' those Programmes which demonstrate efficiency and effectiveness. At the outset of the Programme a set of indicators were agreed, to measure performance and calculate distribution of the reserve.

As a result of achieving the N+2 targets, the North West Objective 2 Programme received an additional €33.106m (£23.293m), of which £18.854m would be allocated to the Fully Eligible Area and £4.439m to the Transitional Area. Details of the breakdown may be found in the Background and Overview section and Annex 1b of the Annual Monitoring Report at Annex 2.

In allocating these resources a fundamental review of performance was undertaken to inform how funds would be allocated for the balance of the Programme. Included in the review were resources made available from the Performance Reserve, resources available through a shift in exchange rates and from potential recovery from under performing partnerships.

It was agreed that further resources would be allocated in line with the revised strategic direction of the programme and would focus on regional and sub-regional priorities, including tourism, transport and knowledge base activity.

Under Priority 1, activity was to be commissioned to allocate the majority of funds to regional plans with the balance ear-marked for sub-regional priorities. Priority 2 bidding activity was to be commissioned in the first quarter of 2004. Towards the end of 2003 Priority 3 APPs were asked to produce recovery plans to assist the EPE to re-profile anticipated expenditure as a first step to re-negotiating contracts.

**PROGRESS AND FINANCING  
OF MAJOR PROJECTS  
AND GLOBAL GRANTS**

No projects whose total costs exceeded €50m or £30m have been approved. The largest ERDF grant made in a single payment was £19.116m provided to the NWDA to implement a Venture Capital Fund. Full information is included in the Progress with Implementation of the Programme, sub section Priority 1 Business and Ideas.



*Blackpool Solarium South Wing Regeneration*

*Blackpool South Shore Public Realm*



# PROGRAMME ADMINISTRATION AND MANAGEMENT

## INTRODUCTION

The establishment of monitoring, financial control and evaluation measures for the Programme is an essential requirement as set out in Article 37(2)d. The following sub-section explains the process of putting the key functions in place. There are later sub-sections and sections which explain how these requirements have been met for Evaluating Programme Performance and Management Arrangements and Structures which carry out the requirements of Article 35(3).

ODPM is the Managing Authority for the Programme and takes the policy lead in co-ordination and ERDF matters. It delegates day to day management of the Programme to GONW.

## EVALUATING PROGRAMME

### PERFORMANCE

Fraser Associates and Regeneris Consulting produced the final MTE report in September 2003, gaining the PM/RC approval on 2 October 2003. The key findings are summarised in the MTE Final Report at Annex 3.

The MTE reviewed the socio-economic position in the region and concluded that the Objective 2 area as a whole failed to achieve the rate of progress being made at national level. A particular concern was the growing disparities between the four counties.

Regeneris Consulting was commissioned to develop a response to the Mid Term Evaluation and better reflect the current socio-economic and policy environment. Issues examined included whether the SPD provided sufficient scope to respond effectively to current national and recent policy changes and how the

Programme could support both economic growth and social inclusion aims as the area with the highest level of economic growth experienced very little movement on the Indices of Multiple Deprivation.

This work formed the basis of the revised SPD submitted to the European Commission.

## MANAGEMENT

## ARRANGEMENTS

## AND STRUCTURES

The Programme Monitoring/Regional Committee (PM/RC) is the main decision and policy making body for the Objective 2 Programme and performs all the tasks and responsibilities laid down in Regulation 1260/1999. It has overall responsibility for formal monitoring and Programme Management arrangements and represents a partnership of key regional bodies and Government Departments. To ensure that the Objective 2 Programme is properly supported and complemented by the Objective 3 Programme, the PM/RC is a joint body for the two Programmes.

The efficiency of the governance structure was questioned by the Mid-Term Evaluation and as a result of this a revised structure was implemented on 3 November 2003.

The Programme is now steered by a smaller PM/RC, supported by a Performance Management Group, an Objective 2 Advisory Group and an Objective 3 Advisory Group. Nominations for membership of the new structure were sought with a deadline of 10 October 2003.

## **MEETINGS OF THE PM/RC, PAG AND NEWLY REORGANISED PM/RC IN 2003**

*The following bullet points list the main decisions taken during 2003.*

### **16 JANUARY 03 PAG**

- Considered the outcome of the Scott Wilson work on Risk Management.
- Put forward proposals for Priority 2 and took a long term view of Priority 3.
- PM/RC was recommended to endorse the Annual Monitoring Report 2003.

### **6 FEBRUARY 03 PM/RC**

- The Chair to appoint a small group to look at strategic thinking.
- It was resolved to deal with the current gender imbalance by the mid point of the Programme.
- The Programme Complement was amended to take account of minor adjustments on eligibility and the scoring system.
- The Annual Monitoring Report 2003 was approved subject to further work being carried out in due course.

### **26 MARCH 03**

- Members approved under written procedures the revised GMLC 1997-1999 Final Report.

### **22 MAY 03 PM/RC**

- A Performance Management Group would be formed to provide a more flexible response to strategic issues.
- Members resolved that the Secretariat work with the proposed Performance Management Group and PAG to develop recommendations on allocations and the SPD.
- Progress with the revision of the North West Objective 3 Regional Development Plan and arrangements for the MTE were noted.

### **19 JUNE 03 PAG**

- Further consideration was given to the restructuring of the Objective 2 and 3 programmes' executive.
- A revised NW Objective 3 Regional Development Plan (RDP) and Equal Opportunities Mainstreaming Plan were agreed and referred to the PM/RC meeting on 14 August 03 for endorsement.

- It was agreed that the revised Annual Implementation Report 2002 would be approved under delegated authority and submitted to the Commission.
- Members resolved that the contract be let as soon as possible to develop the Programme strategy.
- Approval in principle was given to a request from the NWRA for continued funding of the Cross-Cutting theme Managers for 2004-2006.

### **23 JULY 03 STRATEGY DAY**

- A Strategy Day event was held for members from the PAG, PM/RC and ESF Working Group to consider a presentation by Regeneris Consulting. The presentation highlighted key areas in the MTE requiring a strategic response and proposed a revised governance structure. The latter proposed splitting the PAG into separate Objective 2 and 3 Advisory Groups.

### **14 AUGUST 03 PM/RC**

- It was noted that the Annual Implementation Report 2002 had been agreed by the PM/RC under written procedures.
- Members received a presentation by Fraser Associates on progress with producing the MTE and recommendations on the strategy, programme management and Cross-Cutting Themes. To take forward a strategic response to the MTE, Regeneris Consulting presented a report on the issues which were being reviewed.
- It was resolved that the revised North West Objective 3 RDP and the new North West Equal Opportunities Mainstreaming Plan be approved.
- The review of the governance structure encompassed preparation of a new Draft Terms of Reference. Implementation would involve alterations to the Objective 2 SPD and Objective 3 Regional Development Plan.

### **8 OCTOBER 03 PAG**

- Members recommended approval of six CFO Plans and proposals for launch of a new bidding round.
- Members considered proposed revisions to the SPD and agreed to put forward suggestions to the PM/RC.
- Guidance for criteria on a single bidding round in early November was agreed subject to some amendments.

## 20 OCTOBER 03 PM/RC

- Members approved 6 Co-Financing Plans subject to outstanding issues being resolved:

FINANCING PLANS	
	£
Lancashire LSC	17,511,220
Cumbria LSC	8,701,610
Cheshire and Warrington LSC	11,415,205
Greater Merseyside LSC	3,034,463
Greater Manchester LSC	28,989,854
Jobcentre Plus	36,629,438

- Members agreed that the NWDA and GONW should seek projects which took advantage of the Retrospection Guidance.
- A further Priority 1 allocation of £650,000 to the Wigan Action Plan was approved in principle subject to satisfactory appraisal.
- Members resolved that the Partnership's response to the MTE and the allocation of the Performance Reserve as outlined in the Blueprint be agreed.

Members supported the commissioning of bids for new areas of activity once revisions of the SPD had been approved and approved the proposed guidance.

- The revised Technical Assistance Strategy for 2004 and beyond was approved.

## 24 NOVEMBER 03 PM/RC

- The inaugural meeting of the newly reorganised Committee agreed the terms of reference covering the Objective 2 and 3 PM/RC as well as for the Performance Management Group and Objective 2 and 3 Advisory Groups.
- Members agreed the guidance on criteria for the commissioning of projects for a bidding round to take up available resources and to undertake bids within both current and revised SPDs.
- The outcome of negotiations with the Commission and Office of the Deputy Prime Minister (ODPM) on revisions to the SPD were supported.

## 11 DECEMBER 03 OBJECTIVE 2 ADVISORY GROUP

- Members noted that it was likely that the de-commitment target would be achieved.
- A report on revisions to the SPD was noted and it was agreed that a small group would be established to oversee development of the revised Programme Complement.
- Members noted the PM/RC decision on the potential for reallocation/further allocation of Priority Transitional Area funding and put forward the view that there needed to be consistency between the treatment of Fully Eligible and Transitional areas.

## TECHNICAL ASSISTANCE

Technical Assistance helps partners deliver the strategy by providing additional resources for programme development, implementation of the cross cutting themes and publicity and promotion. Assistance is split into core activity for overall support to the management of the Programme and non-core activity providing support at the Action Plan level.

At the PAG meeting on 19 June 2003 members considered proposals for development of the Technical Assistance Strategy for the remainder of the Programme and an application for funding for 2004 and beyond. It was agreed to form a small sub-group to assist the EPE to develop the strategy.

Further work on the strategy was considered by PAG members on 8 October 2003. They recommended approval of the Technical Assistance Strategy subject to further consideration of four additional posts needed to help delivery of the Objective 2 and 3 Programmes. They also endorsed a revised Technical Assistance Core Business Plan 2004 – 2006 along with a funding model with revised allocations for non-core activity.

The first round of Technical Assistance applications ran up to 31 December 2003, the mid point of the Programme, after which there would be a review of the budget and resources available to APPs.

The Technical Assistance working group also considered the reporting of Technical Assistance issues, with particular reference to the reporting of the core match funding contributions from APPs. The clarity of the reports would be improved with the new format being introduced in 2004.

## ACTION PLANS

Action Plans remained the main delivery vehicle for Objective 2 activity.

As Action Plan Partnerships have the responsibility for delivering Action Plans delegated to an Accountable Body. The Accountable Body is usually a local public body experienced in running regeneration plans and is nominated by the partnership and agreed by GONW.

The Accountable Body remains responsible for meeting all the obligations arising from the conditions in the Action Plan approval. It is responsible for the accuracy of expenditure declared to GONW and accountable for irregularities or recovery of funding. Technical Assistance is available to partnerships where it is clear that they are taking on an additional role which adds to the quality and effectiveness of implementation.

The MTE considered that although there was no fundamental flaw in the Action Plan approach, in order to be successful it required stronger strategic leadership and enhanced administrative and technical capacity. The increasing sophistication of regional development efforts had considerable implications for the capacity required. The report noted that almost 40% of Accountable Bodies reported insufficient resources to operate the process effectively. In light of this the PM/RC agreed that additional Technical Assistance should be made available for the second part of the Programming period. Further information is contained in the MTE Final Report at Annex 3.

## DIGITAL WORLD CENTRE PROJECT

*The Digital World Centre is a high tech business project providing quality serviced premises for growth orientated business start-ups and SME's and is situated at Pier 8, Salford Quays opposite the award winning Lowry Centre.*

*The project was commissioned by Salford City Council and funded through the 2000-06 Manchester Sub-Region, Priority 1 Action Plan and part funded through a £2M ERDF Grant.*



## INTRODUCTION

Both the Commission and UK Government require that a strategy should be in place to monitor the use of structural funds. The aim of the strategy would be to provide both the PM/RC and the Accounting Officer with assurances on how the requirements of EC Financial Control Regulations and SLA requirements are being met.

A Monitoring and Inspection strategy was considered by the PM/RC on 14 August 2003 to provide assurance on how the requirements of the EC Financial Control Regulations and SLA requirements would be met. It is based on the requirements of Regulations 1260/1999 and 438/2001 as well as the DTI Business Plan and takes account of guidance in the DTLR Guidance for Operators of Programmes through the Action Plan Process.

As a working document it is subject to an on-going review. Changes in approach may be needed to take account of new legislation and guidance from the centre and in reaction to changes in the programme. The strategy will be formally reviewed each year and any changes in approach incorporated into a revised strategy.

There are statutory as well as best practice reasons why good quality monitoring systems need to be in place. Regulation 1260/99, as amended by 438/2001, requires Member States to take the necessary steps to ensure that the operations have been properly carried out, with detailed monitoring of each programme.

In accordance with Article 10 of Regulation 438/2001 the GONW Corporate Audit Team, independent from

the EPE, undertook the 5% verification checks on total eligible expenditure across the programme and worked with HQ Departments to investigate and draw up reports on irregularities. In the GONW Manchester office there is a separation of functions and a physical separation of the inspection team from EPE that gives an adequate assurance of independence. Delivery of the 5% sample is a key control and is checked by ODPM auditors to ensure that the EC's requirements are met.

The implementation checks are spread evenly over the period concerned under a programme of visits. In accordance with Article 11 checks were undertaken to verify the application and effectiveness of management and control systems, to reconcile records with supporting documents held by intermediate bodies and final beneficiaries. The projects have been implemented in accordance with the SPD and Community Regulations.

At the end of a visit, applicants are given informal feedback, including suggestions for enhancing their current systems and identifying good practice. It is followed up with a formal letter within 4-6 weeks of the inspection. The agreed action points will need to be implemented within the time specified.

Project Verification ensures that all grant-aided projects are subject to a monitoring visit at least once in their lifetime. Preferably they are carried out at an early stage to ensure that project managers understand the conditions of grant and have appropriate systems in place.

Irregularities identified are reported to ODPM and the Commission. Full details of these cases and action taken are included in the chapter Financial Control, sub-section Irregularities.

ODPM auditors carried out an independent verification of the monitoring strategy as applied to the closure of the 1994-1999 Objective 2 and CI programmes. None of the four programmes managed by GONW received a qualified declaration under Article 8 of Regulation 2064/97.

The auditors considered that GONW had prepared and put into operation management and control systems in accordance with Regulation 2064/97 which were designed to provide a final declaration of expenditure and a valid request to the Commission for the balance of Community Aid.

*Blackpool South Shore Public Realm*



# OBSERVANCE OF COMMUNITY POLICIES

## INTRODUCTION

Article 12 of Regulation 1260/99 requires that operations should be carried out in conformity with the Treaty, with instruments adopted under it and with the Community policies and actions. The article stresses the importance of compatibility between measures financed by the Structural Funds and other Community policies.

As required by Article 37(2)d and Article 2 of Regulation 1784/99 this section explains the actions and procedures taken by the EPE to ensure the Programme's compatibility with Information, Publicity and Promotion; Environmental Protection and Improvement; Equal Opportunities; Conformity with Competition Rules; Award of Public Contracts and State Aids.

In line with the Regulation, three of these issues were promoted as Cross Cutting themes (CCT) in order to embed the principles of ICT, equal opportunities and sustainable development across all the Programme activities. Three CCT Managers were appointed to ensure effective delivery and development of

these themes across the structural fund Programmes in the region. Unfortunately two left during 2003 and these posts were subsequently readvertised.

CCTs require the development of a common understanding at Programme level, with implementation across all stages including all policies, documentation and monitoring and evaluation. The PAG meeting on 19 June 2003 agreed a revised Equal Opportunities Mainstreaming Plan, which was a substantial revision of the plan in the original Regional Development Programme (RDP).

The MTE specifically considered the CCTs and was broadly supportive of the degree of progress being made but recommended that a much broader definition of equal opportunities be adopted. Following the MTE, Regeneris Consulting was contracted to review the appropriateness of the targets and included were the performance indicators and targets of the CCTs.

The CCT Working Group was invited by the PM/RC on 14 August 2003 to

*Blackpool Solarium South Wing Regeneration*



develop recommendations as to how the CCTs could be better integrated within the Programme governance structure. The NWRA and GONW hosted a CCT Workshop to consider the development of cross-cutting themes for the remainder of the Objective 2 and 3 programming periods. Themes discussed included strategy, operations and delivery issues. A number of key issues were identified and together with the findings of the MTE, informed the contract agreed with the NWRA for the delivery of CCT activity for the remainder of the Programme. The issues were also addressed through an Implementation Plan, which in turn was incorporated into the policy response to the MTE.

## **INFORMATION, PUBLICITY AND PROMOTION**

The Information and Publicity Strategy for the Objective 2 and 3 Programmes was drafted with regard to Article 46 of Regulation 1260/99 of 21 June 1999. It has the general aims of raising awareness of funds amongst the beneficiaries and raising public awareness of the role played by the EU in regional development. These aims are being achieved by targeting specific audiences with a variety of different and overlapping measures.

Regulation 1159/2000 contains a common methodology and approach for information and publicity which has guided the measures used on this Programme. The measures are summarised in a Communication Plan which forms part of the Programme Complement. The MTE considered that the aims and objectives of the plan conform with the requirements of the Regulation.

Through active publicity the Programme has a high profile especially within the community and voluntary sectors. The publicity strategy provides for a wide range of guidance and support to project sponsors using written and electronic communication, seminars and workshops. A website, developed during 2000 to facilitate the SPD consultation process, provided guidance to partners, applicants and the

general public on the construction of the Programme.

A new website was developed in three phases during 2001 in response to changing demands and customer feedback. New opportunities for disseminating Programme information based on the growing use of web based communication, is providing a cost-effective way of disseminating information electronically. The creation of a frequent newsletter helped to share best practice and provided a vehicle to supplement the forum on the website.

Our primary communication mechanism, the website, provides advice, key documentation, a forum for discussion and a range of guidance notes to aid applicants. It is currently subject to review, to ensure that it continues to meet both Programme and partners needs.

A new Communications Officer was appointed to the EPE with links to the Corporate Publicity Team. Working in concert with the delivery teams the officer brought communication and marketing skills to implement the strategy more effectively. The new communications strategy responds to the growing influence of communications technology and emphasises the importance of developing efficient electronic methods of communication. In addition there remains a need for more traditional methods of publicity through newsletters, exchange visits and posters.

## **ENVIRONMENTAL PROTECTION AND IMPROVEMENT**

Member States are required to have fulfilled their obligations under the Community policies and schemes for protecting and improving the environment. The EC is committed to promoting sustainable development and aims to improve the welfare of present and future generations in terms of economic prosperity, high environmental standards and the sound management of our natural resource base.

The UK Government's policy on nature conservation includes a hierarchy of protective

measures and measures to enhance sites. UK Policy is also committed to achieving enhancement through non-statutory mechanisms such as Biodiversity Action Plans. In the North West a Regional partnership has prepared a Regional Diversity Audit and local Biodiversity Action Plans.

GONW and partners have taken the necessary management steps to ensure that environmental issues are given proper recognition and consideration. GONW's Environment and Rural Group's mission is to ensure that sustainable development principles are mainstreamed into policy making and delivery at regional and local level. The Regional Assembly launched a review of Action for Sustainability, the regional development framework originally developed by GONW.

GONW works with regional and local partners to ensure that the Regional Sustainable Development Framework is kept up to date and includes appropriate measurable targets and indicators. This includes work on the regional Sustainable Farming and Food strategies and sustainable rural communities, the protection and enhancement of natural resources and promoting energy efficiency in rural and urban environments.

The value of the environment and the environmental sector to the region's economy is recognised. The NWDA's Regional Strategy 'England's North West : a Strategy Towards 2020' aims to pursue sustainable development through competitiveness, social inclusion and environmental protection.

The region achieved a boost under the INTERREG IIIB programme with the approval, under the first call for Atlantic Area programme bids, of an Environmental Agency led project for Improving Coastal and Recreational

Waters. The project, which includes Blackpool BC as a partner, will improve the quality of the North West's inland and coastal bathing waters.

The Programme's objective is to pursue economic growth, social progress and protection and enhancement of the environment simultaneously and that economic growth does not occur in a socially exclusive or environmentally damaging manner. The broad thrust of the SPD reflects the social, economic and environmental priorities of the North West and it pursues these priorities in a harmonious manner.

There is a clear commitment to guaranteeing consistency of programmes with the protection of sites as provided for under Natura 2000 and ensure compliance with conservation issues on natural habitats. All projects co-financed from Structural Funds are required to either confirm that they do not have any significant, negative environmental impact or include a description of a possible negative impact together with mitigating measures.

The potential and long-term impact of regeneration proposals on the environment are taken into account in framing bids. Application of the principles of sustainability seek to balance the objectives of economic development with protection of the environment and conservation of natural resources.

The Programme supports the creation and maintenance of a sustainable, high quality physical and natural environment. It also ensures that developments are located close to and are readily accessible to communities in need through good transport links. Site selection takes account of environmental criteria such as landscape and ecological value.



## EQUAL OPPORTUNITIES

Equality for men and women is a basic democratic principle underpinned by the Treaty of Amsterdam in 1998 and is an EC requirement that has to be met. The Treaty introduced horizontal priorities into structural funds, one of which concerned equal opportunities objectives, ensuring integration throughout the Programme.

Its' incorporation across the Programme is an obligation which has been met, acknowledging that operations part-financed with structural funds must comply with Community policy and legislation on equal opportunities objectives.

During 2002 and 2003 there has been positive progress towards achieving gender balance in some of the committees running the programme. On 19 June 2003 PAG members agreed a report on the Equal Opportunities Mainstreaming Plan, a substantial revision of the one in the original RDP. The key action was the need for a commitment to promoting Equal Opportunities throughout the Programme. The implementation of the Plan for both the Objective 2 and 3 Programmes was subsequently agreed by the PM/RC.

Following the MTE a greater emphasis was given to the wider scope of Article 13 of the Amsterdam Treaty which embraced measures to combat discrimination based on sex, racial or ethnic origin, religion, or belief, disability, age or sexual orientation. The improved information management systems will help to measure progress on delivering equality of opportunity.

## CONFORMITY WITH COMPETITION RULES

GONW's EPE continues to adhere firmly to Community rules on competition and Action Plan Partnerships comply with EC Procurement Rules set out in the Structural Funds Handbook. The Commission requires all contracts that are financed or part financed by ERDF grant to be awarded after a tendering process which is transparent and not discriminatory.

Contracts above certain limits must be advertised in the Official Journal of the European Communities. Bids for contracts must be assessed on an objective basis and contract awards published in the journal. Contracts below the EC thresholds must be awarded under processes within the authority which meet the EC's requirements of transparency and non discrimination.

All applicants are advised of their legal responsibilities with regard to contracting and a specific section is contained within the Structural Fund Guidance manual.

*Burnley Technology Centre*





*Blencathra Business Centre expansion*

## AWARD OF PUBLIC

## CONTRACTS

There are Community requirements for contracts arising from the implementation of measures part-financed by the Structural Funds. These requirements are set out in the Articles and in Public Procurement Directives.

In accordance with Article 34.1 (g), notices sent for publication in the Official Journal are required to specify those projects in respect of which a contribution from the Structural Funds has been applied for or granted. The award of public contracts were issued in compliance with prevailing directives governing public procurement and the appropriate checks on conformity with prescribed procedures have been carried out.

## STATE AIDS

Community State Aids regulations limit the support which may be provided from public funding to assist projects in the commercial sector and sanctions operate at priority and measure level. Member States have a duty to ensure that individual businesses do not receive more than a certain amount of grant from public sector sources within a given timescale.

The need to adhere to the State Aid requirements has been re-enforced in the new programming period. The reduction in intervention rates combined with a growing awareness of State Aid related issues led to a need for better guidance for project sponsors. GONW organised an informal guidance event with colleagues from the State Aid unit and signposted sponsors to the unit's publications and helpline.

Guidance on state aids was produced as part of the NW Information series. It advised EPE and Action Plan administrators of the requirements for reporting projects which have been designed to operate in compliance with either the SME or de-minimis block exemption. It remained the responsibility of aid administrators to assess whether a project's proposals included aid and to assess how the aid can be paid within the State aid rules.

EPE seek to ensure that the Action Plan Partnerships adhere to State Aids requirements as well as satisfying themselves on compliance on those non-delegated projects which they are required to validate. They also work with the Partnerships to ensure that they have adequate guidance.

EPE liaise with the State Aids Policy Unit over particular partnership problems and ensure delegated project compliance through the formal monitoring apparatus. In March 2003 the Head of the Commission's State Aid (Regional Policy) section, visited projects in Manchester (Sharston and Openshaw) to review progress on the ground.

## INTRODUCTION

Member states are required under Article 37(2)d of Regulation 1260/99 of 21 June 1999 and Article 1 of Regulation 438/2001 of 2 March 2001 to take the necessary steps to ensure that

the operations of the Programme have been properly carried out. Operational reviews feed into the annual report on management and control arrangements under Article 13 of Regulation 438/2001 and the annual meeting under Article 38(3) of the General Regulation.

*Lake District Osprey Centre*



An essential part of these requirements is the need to have effective systems in place to prevent and take action against irregularities and recover any amounts lost as a result of an irregularity or negligence. Each Structural Fund has its own specific rules and eligibility criteria and the Management and Control Systems Audit Manual sets out standards for the audit of management and control systems. The manual also establishes audit arrangements for the Structural Funds and the roles and responsibilities of the different bodies involved in audit activities.

GONW undertakes financial management and control arrangements for the Objective 2 funds and acts as paying authority. In accordance with Article 2 there is adequate guidance for managing and paying authorities and intermediate bodies on the systems required to ensure sound financial management of the structural funds and to provide assurance of the correctness, regularity and eligibility of claims for assistance.

Records and procedures follow the principles of sound financial management. All monies from the EU are treated in the same way as domestic funding and are subject to the Treasury Handbook in Government Accounting and the Structural Funds Manual.

ERDF monies in the form of advances, interim and final payments are held by GONW. GONW and Accountable Bodies issue offers of ERDF grant and process payment claims. In accordance with Article 3 there is an adequate separation of functions within managing and paying authorities and intermediate bodies. Officers authorising payments to a project are different from those who approved the grant and are in a separate directorate from those involved in appraisal and management. Claims are checked by one officer and payments authorised by another.

Payment claims are checked against offers of grant, project papers, targets and eligibility requirements. Accepted claims are paid on the basis of eligible expenditure incurred with the functions of checking, authorisation and payment separated in accordance with the principles of sound financial management. In accordance with Article 7 the

management and control systems provide a sufficient audit trail.

In accordance with Article 4 of Regulation 438/2001 GONW has procedures in place to verify the delivery of products and services and the eligibility of expenditure. There is a separation of the work from that undertaken by the audit teams under Article 10, a full description of which is included in the Monitoring and Inspection section.

Programme Management Teams comply with Article 4 in applying national and Community rules, particularly regarding the determination of eligible expenditure for support from Structural Funds. These appraisal and project management functions are independent from monitoring and inspection and are primarily designed to ensure a full take up of resources.

A Programme Management Report was introduced to monitor commitments, decommitment target and actual expenditure. The information supported the Risk Assessment System which involved regular scrutiny visits to individual APPs to make sure that they have the level of commitment to ensure spend.

The auditor verifies the eligibility of expenditure at the final claim stage. In the case of projects over £250,000 it is incorporated into the annual audit checks. For larger projects the verification is carried out at the final claim stage. For AP projects the APP will be responsible for verifying the delivery of products/services during the lifetime of the project.

## INTERNAL AUDIT

The HQ based GO Internal Audit Team undertook an ERDF Systems Audit in Manchester in June/July 2000. They found a generally good standard of ERDF management in GONW. They also considered that progress had been made in addressing the requirements of Regulation (EC)2064/97, especially in developing and implementing a strategy. Looking overall at financial management the Team considered that the management infrastructure including delegations, supervisory checks and arrangements for operating

the ERDF IT system were sound. The Claim Processing Checklist was considered to be an example of good practice.

In January 2003 ODPM's Internal Audit Services (IAS) conducted a programme of internal reviews of the effectiveness of the principal management control systems in place relating to the European Structural Funds. The reviews were carried out in accordance with the provisions of UK Government Internal Audit Standards, the Regulation 2064/97, the Audit Risk Assessment and the Annual Audit Plan approved by ODPM'S Audit Committee.

Audit reviews, system testing and other control examinations have been planned and performed with a view to providing assurance on compliance with the various articles of the Regulation and to obtaining a reasonable assurance about whether the final declaration of expenditure and the request for the payment of the balance of the Community Aid were free from material misstatement.

Evidence was also considered from control examinations carried out in accordance with the provisions of Regulation 2064/97 (Article 3 (1) & (2) which comprise a combination of controls by management and the internal audit system reviews of financial management and control.

The ODPM Audit Manager, acting under delegated powers on behalf of the Head of Internal Audit confirmed in March 2003 that in his opinion GONW had put in operation management and control systems for the 1997-1999 Objective 2 programmes in accordance with Regulation 2064/97.

## CONTROL MISSIONS

No control missions took place during 2003.

## IRREGULARITIES

In accordance with Article 54 and Article 38(1)e of Regulation 1260/1999 of 21 June 1999 GONW has information systems in place to record and take the appropriate action to deal with irregularities and recover sums wrongly paid.

In accordance with Article 8 of Regulation 438/2001 records are kept of the recovery of irregular payments and they are reported to the Commission. Details of cases identified so far are listed in the table opposite.

IRREGULARITIES		
PROJECT	£	ISSUE
Green Business Start Up Groundwork Tameside	168,000	Match funding asset sold for a £1.
West Cumbria People and Communities AP West Cumbria CVS	352,797	APP intervention rate claimed instead of project rate.
NW Tourism Operator Business Support North West Tourist Board	21,742	Invoices outside project date and ineligible expenditure on workshop prizes.
FMD Business Support Package Cumbria County Council	71,571	Defrayment, ineligible expenditure and double grant issues.
Rebuilding Consumer Confidence in Cumbria's Tourism Industry Cumbria Tourist Board	7,856	Whole costs included in claim.
Ashton Moss Project Tameside MBC	100,000	Staff costs and overhead issues.
Seasiders Learning College Blackpool and Fylde College	9,119	Copy invoices, ineligible expenditure and overstated claim.
St John's Centre	3,653	Ineligible expenditure.
Oldham BEA Groundwork Oldham	31,179	Gross expenditure and monitoring issues.
ICT Information Shop Lancaster and Morecambe College	18,502	Applicants outside Objective 2 area.
John Rylands University Library University of Manchester	32,315	Expenditure claimed before defrayed.
Development of Managed Workspace Commerce House Bolton MBC	131,819	Space provided rather than training and support.
Capricorn Park RCT Developments Ltd	79,336	Profit and tendering issues.
Digital Media Business Cluster Blackburn College	101,735	Expenditure and income issues.
Walker Park Aspinall Developments	198,680	Applicant profit.
Vikings in the Community Widness Rugby League Football Club Ltd	14,636	Miscellaneous issues.
The Squire Partington Housing Area	28,217	Activity does not fit within the criteria of the measure.

# EX-ANTE, MID TERM AND EX POST EVALUATIONS

## INTRODUCTION

Evaluations are an iterative process with lessons from previous activities used to inform future activities. They are a tool for learning and programme development. The results of valuations are therefore a useful source of information with earlier valuations forming the framework of review for the next phase.

The PM/RC has prioritised ongoing evaluation activity and set aside Technical Assistance funding for this. Work will be commissioned in early 2004 to develop an evaluation strategy and evaluate how specific aspects of the programme are performing.

## EX-ANTE EVALUATION

Independent consultants were appointed at the outset to act as ex-ante evaluators to the SPD to put the process in motion. Two reports were prepared initially, the first was an interim report reviewing previous operations and the second a final report with a detailed assessment of the draft SPD. The final report contained a number of useful suggestions to improve the coherence and robustness of the SPD.

On 20 November 2001 GONW submitted a revised Programme Complement as required by Article 15 (6) of Regulation 1260/1999. On 4 December 2001 the Commission confirmed that the document fulfilled the requirements of Article 32 (3) of the regulation. At its meeting on 6 February 2003, PM/RC members agreed amendments to the Programme Complement to extend the eligible activities and introduced an improved scoring system for ERDF applications.

The ex-ante evaluation and appraisal ensured that the strategy addressed economic weaknesses of the area and clearly set targets for improvement especially in terms of employment, environment and equal opportunities for men and women.

## MID TERM EVALUATION

In accordance with Article 42 of Regulation 1260/99 the mid-term evaluation of the Programme came under the responsibility of the Managing Authority in co-operation with the Commission. Managed through the Chairmanship of the RDA and carried out by an independent assessor, the report was required to be submitted to the PM/RC and sent to the Commission no later than 31 December 2003.

The PAG agreed to the establishment of a sub-group to manage the evaluation under the Chairship of the NWDA. The Terms of Reference of the North West Objective 2 Mid Term Evaluation Steering Group were formally approved by the PM/RC under written procedure on 1 May 2002.

Following tendering procedures a consortium of Fraser Associates Management and Economics Consultants and Regeneris Consulting was engaged in July 2002. The contract also required the consultants to provide an Interim Report setting out some of the analysis of the initial consultation process and a Quantification Report. The latter would consider the appropriateness of the indicators and targets set within the SPD and Programme Complement.

The regulation required the review to evaluate and express an opinion on the probability of the Performance

Reserve targets being met. The consultants' remit also included an examination of the potential for integrating Objective 2 and 3 Programmes.

The main areas of research included interviews with partners; a survey of projects allied to the review of the quantification of the Programme and a review of the socio-economic environment since the SPD was prepared. An interim report was produced in December 2002 and a draft Final Report was produced in June 2003, although it was noted that some elements still required further work.

Interim findings indicated that there remained a high degree of consensus that the Priorities in the Objective 2 Programme were generally valid and there had not been any significant socio-economic developments requiring changes at this level of the Programme strategy. In general, the framework provided by the Programme was considered to be sufficiently flexible to accommodate most forms of action that Partners envisaged, including flexibility to accommodate likely changes to the Regional Strategy.

The MTE was completed within deadlines with Fraser Associates and Regeneris Consulting producing the final report in September 2003, gaining approval of the PM/RC on 2 October 2003. The Partnership commitment to taking on board the need for change was robust, with partners developing a response to the impact of the findings on the SPD and Programme Complement.

Prompt dissemination of the findings to those involved in the process began at the interim report stage and by the time the final report was received there was a clear understanding of the issues across the partnership. Some of the issues concerned the Programme strategy and activities to be developed, others concerned the governance structures and delivery mechanisms, all of them essential ingredients for success.

The key findings of the MTE are summarised in the MTE Final Report at Annex 3.

With the evaluation completed on time and the wealth of up to date information it produced absorbed into the strategic decision making processes, we are now much better placed to deliver what is required and where. Appendix 2, the Annual Monitoring Report, focuses on the lessons learned from the first half of the programme and sets out how they influenced the delivery plans for 2004 and beyond.

## EX-POST EVALUATION

The ex-post evaluation remains the responsibility of the Commission in collaboration with the member state and Managing Authority. The final evaluation will be commissioned to review the overall performance achieved by the Programme throughout its life. Again it is expected that it will be carried out by an independent consultant.

**Appendices 1, Financial Tables and 4, Output Tables are included here as part of the main document.**

**Appendices 2, Annual Monitoring Report and 3, MTE Final Report are separate documents which should be read alongside the main report.**

## Annex 1

**2003 Financial Table\***  
for annual/final implementation report by priority and measure

NORTH WEST ENGLAND OBJECTIVE 2 SPD 2000 - 2006

Commission Reference No. of related OP or SPD: **C(2001)659**

GRANT PAID TO DATE					
Fully Eligible Area Priority / Measure	Total *** Project/AP Cost	Total Eligible Actually Paid and Certified Expenditure	% of Eligible Cost	Other ****	Field of Intervention **
	meuro	meuro		meuro	
	1	2	3 = 2/1		
Measure 1.1	71.653	10.312	0.144	N/A	
Measure 1.2	130.699	25.738	0.197	N/A	
Measure 1.3	69.435	13.536	0.195	N/A	
Measure 1.4	114.482	16.621	0.145	N/A	
Measure 1.5	132.194	9.969	0.075	N/A	
Measure 2.1	76.316	7.630	0.100	N/A	
Measure 2.2	76.316	16.858	0.221	N/A	
Measure 2.3	60.420	9.651	0.160	N/A	
Measure 2.4	60.420	11.291	0.187	N/A	
Measure 2.5	44.884	7.387	0.165	N/A	
Measure 3.1	360.380	30.756	0.085	N/A	
Measure 3.2	224.888	14.659	0.065	N/A	
Measure 3.3	85.709	13.400	0.156	N/A	
Total ERDF Related	21.734	2.978	0.137	N/A	
Total ESF Related				N/A	
Total EAGGF Related	N/A	N/A		N/A	
Total FIFG Related	N/A	N/A		N/A	
<b>Total</b>					
Total ERDF Related	1529.530	190.787	0.125	N/A	
Total ESF Related	0.000	0.000		N/A	
Total EAGGF Related	N/A	N/A			
Total FIFG Related	N/A	N/A			

GRANT PAID TO DATE (contd)					
Transitional Support ***** Priority/Measure	Total *** Project/AP Cost	Total Eligible Actually Paid and Certified Expenditure	% of Eligible Cost	Other ****	Field of Intervention **
<b>Priority 1</b>					
Measure 1.1	34.325	5.033	0.147	N/A	
Measure 1.2	68.647	14.011	0.204	N/A	
Measure 1.3	49.537	15.918	0.321	N/A	
Measure 1.4	36.323	9.115	0.251	N/A	
Measure 1.5	65.036	1.301	0.020	N/A	
<b>Priority 2</b>					
Measure 2.1	7.618	0.290	0.038	N/A	
Measure 2.2	7.618	1.013	0.133	N/A	
Measure 2.3	6.030	0.507	0.084	N/A	
Measure 2.4	6.030	1.028	0.171	N/A	
Measure 2.5	4.442	0.825	0.186	N/A	
<b>Priority 3</b>					
Measure 3.1	46.432	3.818	0.082	N/A	
Measure 3.2	30.932	0.128	0.004	N/A	
Measure 3.3	9.521	0.267	0.028	N/A	
<b>Technical Assistance</b>					
Total ERDF Related	5.434	0.024	0.004	N/A	
Total ESF Related				N/A	
Total EAGGF Related	N/A	N/A		N/A	
Total FIFG Related	N/A	N/A		N/A	
<b>Total</b>					
Total ERDF Related	377.925	53.279	0.141	N/A	
Total ESF Related	0.000	0.000		N/A	
Total EAGGF Related	N/A	N/A		N/A	
Total FIFG Related	N/A	N/A		N/A	
<b>TOTAL</b>	<b>1907.455</b>	<b>244.066</b>	<b>0.128</b>	<b>N/A</b>	

\* A table covering the last full calendar year and a table covering cumulative amounts up till the end of the previous year (in case of an annual report) should be presented.

\*\* The field of intervention should be coded for each measure using the standard classification on the level of three digits where needed (in the case of heterogeneous measures) more than one code should be given with the corresponding estimated share.

\*\*\* This column contains the amounts for ERDF Funds, Other Public match funding and Private match funding.

\*\*\*\* Including for information in the case of Objective 2, the total amount from EAGGF Guarantee Section for the measures referred to in Art. 33 of Regulation (EC) No .../99 (Art. 17(3) of Regulation (EC) No .../99).

\*\*\*\*\* Only for Objective 1 and 2 and where applicable.

## Outputs achieved as at 31 December 2003

**Annex 4 a**

Measure	Output Type	Output Description	Output Unit	Achieved	SPD Forecast	% Outcomes Achieved
1.1	Impact	Net Additional Jobs	Net Jobs Achieved	331	3379	9.80%
1.1	Impact	Net additional value added	GBP million	1.82	101.3	1.80%
1.1	Output	EqOp New Companies Assisted	Number	651	600	108.50%
1.1	Output	EqOp SMEs Assisted	Number	7	960	0.73%
1.1	Output	Increased sales	GBP 000s (Gross)	22415.88	469000	4.78%
1.1	Output	InfSoc New businesses making use of e-commerce	Number	384	4000	9.60%
1.1	Output	New Companies Assisted	Number	4444	7450	59.65%
1.1	Output	New products/processes developed	Number	422	280	150.71%
1.1	Output	Spin Out Companies Assisted	Number	178	100	178.00%
1.1	Output	SustDv Support for businesses to undertake energy, waste and resource reviews and audits	Number of audits	61	350	17.43%
1.1	Result	EqOp New Jobs Created	Gross F/T (> 30 hours) job equivalents filled	688	2620	26.26%
1.1	Result	InfSoc E-commerce/internet based new businesses	Gross number advised/supported who start trading	224	750	29.87%
1.1	Result	New Jobs created	Gross F/T (> 30 hours) job equivalents filled	2628.5	6705	39.20%
1.1	Result	SustDv New start ups in environment-related sectors	Gross number advised/supported who start trading	77	350	22.00%
1.2	Impact	Net Additional Jobs	Net Jobs Achieved	136	3801	3.58%
1.2	Impact	Net additional value added	GBP million	11.89	114	10.43%
1.2	Impact	Net Jobs Safeguarded	No of Net Jobs Safeguarded	441.8	3801	11.62%
1.2	Impact	Net value added safeguarded	GBP '000s	1571	114000	1.38%
1.2	Output	Days Spent assisting SMEs	Number	580	600	96.67%
1.2	Output	EqOp New Companies Assisted	Number	13	600	2.17%
1.2	Output	EqOp SMEs Assisted	Number	348	960	36.25%
1.2	Output	Increased sales	GBP 000s (Gross)	93921	603000	15.58%
1.2	Output	InfSoc Existing SMEs developing new ICT systems	Number	385	3000	12.83%
1.2	Output	InfSoc Existing SMEs diversifying through e-commerce	Number	179	3000	5.97%
1.2	Output	SMEs ASSISTED	Number	12301	11920	103.20%
1.2	Output	SMEs assisted in priority sectors	Number	3645	4470	81.54%
1.2	Output	SMEs introducing new products/processes	Number	730	745	97.99%
1.2	Output	SustDv Support for businesses to undertake energy, waste and resource reviews and audits	Number of audits	261	350	74.57%
1.2	Output	SustDv Support on SMEs specialising in environment related products and processes	Number of firms	134	300	44.67%
1.2	Output	Temporary Jobs Created	Number		30	
1.2	Result	EqOp New Jobs Created	Gross F/T (> 30 hours) job equivalents filled	209	2620	7.98%
1.2	Result	Jobs safeguarded	Gross F/T (> 30 hours) job equivalents filled	5680.5	7528	75.46%
1.2	Result	New Jobs created	Gross F/T (> 30 hours) job equivalents filled	3167.5	7528	42.08%
1.2	Result	Sales safeguarded	GBP million	72.46	603	12.02%

Outputs achieved as at 31 December 2003 (contd.)

**Annex 4 b**

Measure	Output Type	Output Description	Output Unit	Achieved	SPD Forecast	% Outcomes Achieved
1.3	Impact	Net Additional Jobs	Net Jobs Achieved		3886	
1.3	Impact	Net additional value added	GBP million		1.16	
1.3	Impact	Net Jobs Safeguarded	No of Net Jobs Safeguarded		1633	
1.3	Impact	Net value added safeguarded	GBP '000s		48800	
1.3	Output	EqOp New Companies Assisted	Number		600	
1.3	Output	EqOp SMEs Assisted	Number		960	
1.3	Output	Increased sales	GBP 000s (Gross)		466000	
1.3	Output	InfSoc SMEs/start-ups assisted in securing investment finance will be e-commerce and/or e-business	Number		745	
1.3	Output	SMEs ASSISTED	Number	0	1880	0.00%
1.3	Output	SustDv Finance on SMEs in environmental-related sectors	Number of firms		90	
1.3	Result	EqOp New Jobs Created	Gross F/T (> 30 hours) job equivalents filled		2620	
1.3	Result	Jobs safeguarded	Gross F/T (> 30 hours) job equivalents filled		2756	
1.3	Result	New Jobs created	Gross F/T (> 30 hours) job equivalents filled		6535	
1.3	Result	Sales safeguarded	GBP million		196	
1.4	Impact	Net Additional Jobs	Net Jobs Achieved	51	6458	0.79%
1.4	Impact	Net additional value added	GBP million	0.27	194.2	0.14%
1.4	Impact	Net Jobs Safeguarded	No of Net Jobs Safeguarded	13	2129	0.61%
1.4	Impact	Net value added safeguarded	GBP '000s	552	64200	0.86%
1.4	Output	EqOp New Companies Assisted	Number		600	
1.4	Output	EqOp SMEs Assisted	Number	703	960	73.23%
1.4	Output	Increased sales	GBP 000s (Gross)	21919	869000	2.52%
1.4	Output	InfSoc SMEs involved in networks/clusters will be using advanced information society applications	Number	827	4000	20.68%
1.4	Output	SMEs ASSISTED	Number	3522	8160	43.16%
1.4	Output	SMEs implementing new processes/ways of working	Number	848	2720	31.18%
1.4	Output	SustDv New envmntl technologies or demonstrate envr management techniques	Number	98	300	32.67%
1.4	Output	SustDv Support on SMEs specialising in environment related products and processes	Number of firms	148	300	49.33%
1.4	Result	EqOp New Jobs Created	Gross F/T (> 30 hours) job equivalents filled	188	2620	7.18%
1.4	Result	Jobs safeguarded	Gross F/T (> 30 hours) job equivalents filled	481	3146	15.29%
1.4	Result	New Jobs created	Gross F/T (> 30 hours) job equivalents filled	632	9557	6.61%
1.4	Result	Sales safeguarded	GBP million	13.57	287	4.73%

Outputs achieved as at 31 December 2003 (contd.)

Annex 4 c

Measure	Output Type	Output Description	Output Unit	Achieved	SPD Forecast	% Outcomes Achieved
1.5	Impact	Net Additional Jobs	Net Jobs Achieved	40	1229	3.25%
1.5	Impact	Net additional value added	GBP million	0.89	36.8	2.42%
1.5	Impact	Net Jobs Safeguarded	No of Net Jobs Safeguarded	31	1845	1.68%
1.5	Impact	Net value added safeguarded	GBP '000s	937.44	55500	1.70%
1.5	Output	EqOp New Companies Assisted	Number	600		
1.5	Output	EqOp SMEs Assisted	Number	1	960	0.10%
1.5	Output	Feasibility/research studies supported	Number	60		
1.5	Output	Increased sales	GBP 000s (Gross)	1000269	195000	512.96%
1.5	Output	InfSocProjects receiving assistance developing innovative ICT facilities within the new premises	Number	2	2	100.00%
1.5	Output	Premises Provided	Square Metres	39222	204130	19.21%
1.5	Output	Refurbished Premises	Square Metres	26308	81800	32.16%
1.5	Output	SustDv Building design incorporating energy efficiency/use of recycled materials	Number	2	8	25.00%
1.5	Output	SustDv Re-Use of Redundant Buildings	Number of Buildings	4	8	50.00%
1.5	Result	EqOp New Jobs Created	Gross F/T (> 30 hours) job equivalents filled	36	2620	1.37%
1.5	Result	Jobs safeguarded	Gross F/T (> 30 hours) job equivalents filled	583.5	3660	15.94%
1.5	Result	New Jobs created	Gross F/T (> 30 hours) job equivalents filled	249.5	2438	10.23%
1.5	Result	Sales safeguarded	GBP million	42.63	294	14.50%

Outputs achieved as at 31 December 2003 (contd.)					Annex 4		d
Measure	Output Type	Output Description	Output Unit	Achieved	SPD Forecast	% Outcomes Achieved	
2.1	Impact	InfSocICT related community enterprises	Number	9	75	12.00%	
2.1	Impact	InfSocPeople into self employment (ICT related)	Number	3	300	1.00%	
2.1	Impact	InfSocProjects assisted using ICT to support the development of community based employment opps	Number	11	80	13.75%	
2.1	Impact	Jobs in Community & Micro Enterprises Surviving for 2 Years	Number start-ups still trading after 18 months	15	1980	0.76%	
2.1	Impact	People (residents) in employment two years after support has ended	Number	5	880	0.57%	
2.1	Impact	People (Residents) in Self Employment 2 Years after Support has Ended	Number start-ups still trading after 18 months	5	335		
2.1	Output	Community Enterprises Assisted	Number	256	192	133.33%	
2.1	Output	EqOp Number of employment/learning beneficiaries securing a positive outcome	Number of employees in training		1025		
2.1	Output	EqOp People assisted towards employment	Number of beneficiaries		330		
2.1	Output	EqOp People provided with learning support	Number participating		1650		
2.1	Output	Micro Enterprises assisted	Number	458.5	1110	41.31%	
2.1	Output	New Community Enterprises established	Number	133	192	69.27%	
2.1	Output	New Premises	Square Metres	17451	22000	79.32%	
2.1	Output	People given self employment support	Gross F/T (> 30 hours) job equivalents filled	1009	2200	45.86%	
2.1	Output	People supported with Self Employment	Number	66	2220	2.97%	
2.1	Output	SustDv Development of local supply chains, 'buy local' schemes, local economic trading schemes	Number	6	20	30.00%	
2.1	Output	SustDv Encouragement of businesses to engage in local self-sufficiency (eg recycling)	Number of firms	12	300	4.00%	
2.1	Result	EqOp New Jobs in micro and community enterprises	Gross F/T (> 30 hours) job equivalents filled	94.1	286	32.90%	
2.1	Result	EqOp No. of beneficiaries securing a positive outcome	Number of beneficiaries		1025		
2.1	Result	EqOp Number of people (residents) securing employment	Number	4.5	1320	0.34%	
2.1	Result	EqOp People (residents) with improved IS skills	Number		2330		
2.1	Result	EqOp People supported with self employment	Gross F/T (> 30 hours) job equivalents filled	40	176	22.73%	
2.1	Result	New jobs in micro and community enterprises	Gross F/T (> 30 hours) job equivalents filled	404.6	2860	14.15%	
2.1	Result	No of People (Residents) Securing Employment (Self Employment)	Gross F/T (> 30 hours) job equivalents filled	526.2	1320	39.86%	
2.1	Result	Number of people (residents) securing employment.	Number	465.5	474	98.21%	
2.1	Result	Sales in community and micro enterprises	GBP '000s (Gross)	7603.45	143000	5.32%	

Outputs achieved as at 31 December 2003 (contd.)						Annex 4 e	
Measure	Output Type	Output Description	Output Unit	Achieved	SPD Forecast	% Outcomes Achieved	
2.2	Impact	InfSoc Projects using ICT to improve access to employment	Number	287	80	358.75%	
2.2	Impact	People (residents) in employment two years after support has ended	Number	24	6600	0.36%	
2.2	Output	EqOp Number of employment/learning beneficiaries securing a positive outcome	Number of employees in training	56	1025	5.46%	
2.2	Output	EqOp People assisted towards employment	Number of beneficiaries	1384	330	419.39%	
2.2	Output	EqOp People provided with learning support	Number participating	1398	1650	84.73%	
2.2	Output	Number of employment and learning centres established	Number	48	33	145.45%	
2.2	Output	People assisted towards employment	Number of beneficiaries	30238	3300	916.30%	
2.2	Output	People provided with learning support	Number participating	9097	16500	55.13%	
2.2	Output	SustDv Employment support to individuals linked to provision of goods/services in local community	Number	217	1500	14.47%	
2.2	Result	EqOp New Jobs in micro and community enterprises	Gross F/T (> 30 hours) job equivalents filled	286			
2.2	Result	EqOp No. of beneficiaries securing a positive outcome	Number of beneficiaries	118	1025	11.51%	
2.2	Result	EqOp Number of people (residents) securing employment	Number	351	162	216.67%	
2.2	Result	EqOp People (residents) with improved IS skills	Number		2330		
2.2	Result	EqOp People supported with self employment	Gross F/T (> 30 hours) job equivalents filled	176			
2.2	Result	No. of emp/learning beneficiaries securing a positive outcome	Number	962	5969	16.12%	
2.2	Result	Number of Beneficiaries Securing Positive Outcome	Gross F/T (> 30 hours) job equivalents filled	806	5229	15.41%	
2.2	Result	Number of people (residents) securing employment.	Number	3228	10250	31.49%	
2.3	Impact	People (Residents) in Employment two years after support	Number	0	400	0.00%	
2.3	Impact	Residents Securing Employment	Number	14	4400	0.32%	
2.3	Output	Communities Supported with Capacity Building Initiatives	Number	231	220	105.00%	
2.3	Output	Community ICT facilities established	Number	115	33	348.48%	
2.3	Output	EqOp People assisted towards employment	Number of beneficiaries		330		
2.3	Output	EqOp People provided with learning support	Number participating		1650		
2.3	Output	Good practice networks	Number	48	7	685.71%	
2.3	Output	InfSocProjects using ICT to support a cross-measure approach to addressing social exclusion	Number of beneficiaries	24	200	12.00%	
2.3	Output	SustDv Provision of ICT to facilitate distance learning and home working	Number	123	33	372.73%	
2.3	Output	Web content, development and maintenance projects	Number	135	4	3375.00%	
2.3	Result	EqOp New Jobs in micro and community enterprises	Gross F/T (> 30 hours) job equivalents filled	286			
2.3	Result	EqOp No. of beneficiaries securing a positive outcome	Number of beneficiaries	1025			
2.3	Result	EqOp Number of people (residents) securing employment	Number	3	162	1.85%	
2.3	Result	EqOp People (residents) with improved IS skills	Number	2861	2330	122.79%	
2.3	Result	EqOp People supported with self employment	Gross F/T (> 30 hours) job equivalents filled	176			
2.3	Result	No. of emp/learning beneficiaries securing a positive outcome	Number	418			
2.3	Result	Number of people (residents) securing employment.	Number	325	4400	7.39%	
2.3	Result	People (residents) benefitting from IS delivered information	Number	52692	220000	23.95%	
2.3	Result	People (residents) with improved IS skills	Number	18911	23100	81.87%	

Outputs achieved as at 31 December 2003 (contd.)						Annex 4	f
Measure	Output Type	Output Description	Output Unit	Achieved	SPD Forecast	% Outcomes Achieved	
2.4	Output	Community Safety Initiatives	Number	76.5	110	69.55%	
2.4	Output	Environmental Initiatives supported	Number of Initiatives	208.19	110	189.26%	
2.4	Output	EqOp Number of employment/learning beneficiaries securing a positive outcome	Number of employees in training		1025		
2.4	Output	EqOp People assisted towards employment	Number of beneficiaries		330		
2.4	Output	EqOp People provided with learning support	Number participating		1650		
2.4	Output	Land improved	Hectares	133.09	275	48.40%	
2.4	Output	Marketing Initiatives supported	Number	83	66	125.76%	
2.4	Output	Routeways improved	Km	349.36	220	158.80%	
2.4	Output	SustDv Facilitate community participation in maintaining their local environment	Number	48	150	32.00%	
2.4	Output	SustDv Number of redundant derelict buildings	Number of Buildings	13	100	13.00%	
2.4	Result	EqOp New Jobs in micro and community enterprises	Gross F/T (> 30 hours) job equivalents filled		286		
2.4	Result	EqOp No. of beneficiaries securing a positive outcome	Number of beneficiaries		1025		
2.4	Result	EqOp Number of people (residents) securing employment	Number		162		
2.4	Result	EqOp People (residents) with improved IS skills	Number		2330		
2.4	Result	EqOp People supported with self employment	Gross F/T (> 30 hours) job equivalents filled		176		
2.4	Result	New investment as a result of capital investment and marketing	GBP '000s	13135.7	178000	7.38%	
2.4	Result	Number of people (residents) securing employment.	Number	55.75	775	7.19%	
2.5	Impact	SustDv Community devised and implemented solutions to local problems	Number	207	90	230.00%	
2.5	Output	Community Organisations provided with capacity building support	Number	1906	550	346.55%	
2.5	Output	EqOp Number of employment/learning beneficiaries securing a positive outcome	Number of employees in training		1025		
2.5	Output	EqOp People assisted towards employment	Number of beneficiaries		330		
2.5	Output	EqOp People provided with learning support	Number participating		1650		
2.5	Result	EqOp New Jobs in micro and community enterprises	Gross F/T (> 30 hours) job equivalents filled		286		
2.5	Result	EqOp No. of beneficiaries securing a positive outcome	Number of beneficiaries		1025		
2.5	Result	EqOp Number of people (residents) securing employment	Number		162		
2.5	Result	EqOp People (residents) with improved IS skills	Number		2330		
2.5	Result	EqOp People supported with self employment	Gross F/T (> 30 hours) job equivalents filled		176		

Outputs achieved as at 31 December 2003 (contd.)

Annex 4 g

Measure	Output Type	Output Description	Output Unit	Achieved	SPD Forecast	% Outcomes Achieved
3.1	Impact	EqOp Net Jobs Safeguarded	Gross F/T (> 30 hours) job equivalents filled	12	1355	0.89%
3.1	Impact	Net Additional Jobs	Net Jobs Achieved	32	13841	0.23%
3.1	Impact	Net additional value added	GBP million	0.53	362.2	0.15%
3.1	Impact	Net Jobs Safeguarded	No of Net Jobs Safeguarded	43	7435	0.58%
3.1	Impact	Net value added safeguarded	GBP '000s		184600	
3.1	Output	Brownfield land serviced	Hectares	3.19	215	1.48%
3.1	Output	Feasibility/research studies supported	Number	4	36	11.11%
3.1	Output	Hectares of brownfield land made ready for development	Hectares	1.73	125	1.38%
3.1	Output	Increased sales	GBP 000s (Gross)	2560	2128000	0.12%
3.1	Output	InfSocProjects using ICT in dev of strategic employment opportunities	Number	1	15	6.67%
3.1	Output	Land serviced	Hectares	4.34	510	0.85%
3.1	Output	Number of redundant, derelict buildings	Number of Buildings	4	25	16.00%
3.1	Output	Premises Provided	Square Metres	11220	49700	22.58%
3.1	Output	Refurbished Premises	Square Metres	10607	15700	67.56%
3.1	Output	SustDv Initiatives to enhance the local environment	Number		25	
3.1	Result	EqOp Jobs Safeguarded	Gross F/T (> 30 hours) job equivalents filled	88	3010	2.92%
3.1	Result	EqOp Net Additional Jobs	Gross F/T (> 30 hours) job equivalents filled	12	1965	0.61%
3.1	Result	EqOp New Jobs Created	Gross F/T (> 30 hours) job equivalents filled	47	4461	1.05%
3.1	Result	Jobs safeguarded	Gross F/T (> 30 hours) job equivalents filled	451	14461	3.12%
3.1	Result	New Jobs created	Gross F/T (> 30 hours) job equivalents filled	125	26788	0.47%
3.1	Result	Sales safeguarded	GBP million	4.6	1226	0.38%
3.1	Result	SustDv Number of public transport initiatives	Number		20	
3.1	Result	Number of enterprises benefiting from enhanced security	Number		75	
3.1	Result	Number of homes benefitting from enhanced security	Number of houses		750	

Outputs achieved as at 31 December 2003 (contd.)

Annex 4 h

Measure	Output Type	Output Description	Output Unit	Achieved	SPD Forecast	% Outcomes Achieved
3.2	Impact	EqOp Net Jobs Safeguarded	Gross F/T (> 30 hours) job equivalents filled		1355	
3.2	Impact	Net Additional Jobs	Net Jobs Achieved		1173	
3.2	Impact	Net additional value added	GBP million		76.3	
3.2	Impact	Net Jobs Safeguarded	No of Net Jobs Safeguarded		2739	
3.2	Impact	Net value added safeguarded	GBP '000s		93300	
3.2	Output	Environmental enhancement schemes	Number of schemes	3	25	12.00%
3.2	Output	Feasibility/research studies supported	Number	1	30	3.33%
3.2	Output	Hectares of brownfield land made ready for development	Hectares		125	
3.2	Output	Increased sales	GBP 000s (Gross)	506	227000	0.22%
3.2	Output	InfSocProjects providing ICT to exploit economic potential of region's heritage assets	Number		15	
3.2	Output	New/improved visitor and cultural attractions	Number of Buildings	6	23	26.09%
3.2	Output	New/improved visitor and cultural facilities	Number of Buildings	4	12	33.33%
3.2	Output	Number of redundant, derelict buildings	Number of Buildings		25	
3.2	Output	SustDv Initiatives to enhance the local environment	Number		25	
3.2	Result	EqOp Jobs Safeguarded	Gross F/T (> 30 hours) job equivalents filled		3010	
3.2	Result	EqOp Net Additional Jobs	Gross F/T (> 30 hours) job equivalents filled		1995	
3.2	Result	EqOp New Jobs Created	Gross F/T (> 30 hours) job equivalents filled		4461	
3.2	Result	Jobs safeguarded	Gross F/T (> 30 hours) job equivalents filled	119.35	8153	1.46%
3.2	Result	New Jobs created	Gross F/T (> 30 hours) job equivalents filled	43.66	3494	1.25%
3.2	Result	Sales safeguarded	GBP million	0.23	530	0.04%
3.2	Result	SustDv Number of public transport initiatives	Number		20	

Outputs achieved as at 31 December 2003 (contd.)						Annex 4		i	
Measure	Output Type	Output Description	Output Unit	Achieved	SPD Forecast	% Outcomes Achieved			
3.3	Impact	CED residents in employment after 2 years	Gross F/T (>30 hours) job equivalents filled	7	12.5	56.00%			
3.3	Impact	EqOp Net Jobs Safeguarded	Gross F/T (> 30 hours) job equivalents filled		1355				
3.3	Output	Bus priority Initiatives	Number	3	12	25.00%			
3.3	Output	Cycling initiatives	Number	1	12	8.33%			
3.3	Output	InfSocProjects developing sustainable integrated ICT networks to support strategic initiatives	Number		10				
3.3	Output	Inter modal transport facilities improved	Number	2	2	100.00%			
3.3	Output	Local transport partnerships established	Number	0	12	0.00%			
3.3	Output	Park and ride and community transport initiatives	Number	3	12	25.00%			
3.3	Output	Transport corridors improved	Number	6	6	100.00%			
3.3	Result	Employment Opportunities Access By CIN Residents	Gross F/T (> 30 hours) job equivalents filled	211	188	112.23%			
3.3	Result	Employment Opportunities Accessed by Women	Gross F/T (> 30 hours) job equivalents filled	236	138	171.01%			
3.3	Result	Employment Opportunities Created	Gross F/T (> 30 hours) job equivalents filled	586	328	178.66%			
3.3	Result	EqOp Jobs Safeguarded	Gross F/T (> 30 hours) job equivalents filled		3010				
3.3	Result	EqOp Net Additional Jobs	Gross F/T (> 30 hours) job equivalents filled		1995				
3.3	Result	EqOp New Jobs Created	Gross F/T (> 30 hours) job equivalents filled	9	4461	0.20%			
3.3	Result	No of People Participating in or Attending Cultural Projects / Activities	No of People	21447	14042	152.73%			